

Grading of coins flunks test for some hobbyists

By Roger Boye

Several respected hobbyists are calling for changes in the terms used to grade rare coins in an attempt to simplify collecting.

The current terminology "has caused ill will between thousands of people, has caused countless controversies and has prevented what coin collecting is all about: enjoyment," wrote scholar and coin dealer Q. David Bowers in a Jan. 8 Coin World column.

Market prices are based on the grade—or condition category—earned by coins. For example, an 1894 silver dollar in "MS-60" condition [for "typical uncirculated" or "typical mint state"] goes for \$900 or so, while the same coin in "MS-63" ["select uncirculated"] might fetch \$1,500 or more.

Nearly all the experts agree that coin grading is largely an art, rather than a science, and that two experienced collectors can disagree honestly when evaluating the condition of a coin. Accordingly, Bowers and others want the numbers eliminated from official terminology because they say those numbers imply grading precision where no such precision exists.

"I posit that this quasi-scientific numerical situation which has pervaded our hobby has done far more harm than good," Bowers said. He would prefer that collectors describe coin grades with words rather than with numbers because words are less absolute.

The current system evolved in the mid-1970s when the American Numismatic Association—the nation's largest organization of coin collectors—adopted official grading standards based on a 70-point scale. Today, most dealers evaluate their coins with those numbers, which range from "AG-3" for "almost good" to "MS-70" for "perfect uncirculated."

Of course, many hobbyists argue that the widespread use of the ANA-sanctioned system proves its value. For example, coin investor Maurice Rosen wrote for Coin World that the numbers have forced dealers to be more careful in their grading and have sharpened the skills of novices. Some pros even want to "expand the numbers" to create 11 classifications for coins in uncirculated condition.

Still, the ANA Board of Governors will consider a proposal at its Feb. 20 meeting in Salt Lake City to eliminate numerical grades on all coins evaluated by the ANA-Certification Service.